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ACTION: NONE INFO: DONOVA, NMON, ODPD-D, ODPN-N, ODPS-S,  
OGI/EC/CM, OGI/GD/ERA, OGI/ISI/AT, OGI/TNA/SN-3, OGITNATAB2, OPCTR/EALA,  
PRINT, RF, SOV/RIG/DC, SOV/TW/RPL, FILE, DDO-4, LA/CATF-3, ALA/MC/COR-2,  
ALA/MC/D, ALA/MC/E1, ALA/MC/ES-3, ALA/MC/G-2, ALA/MC/HO-2, ALA/MC/M1,  
ALA/MC/M2, ALA/MC/M3, ALA/MC/N-2, ALA/MC/P-2, ALA/MC/PME, ALA/MC/RAE,  
ALA/PO/LA, ALA/SA/R, ASG/AM, CI/SA, COMPT, CPAS/COP, CR/L, CRES/ARO,  
D/FBIS-2, EPS/LG, ICS/HC/LA, NCECF, NCPM, NICAG/LA, NICAG/TWI, NIO/DL/AL,  
OCG/ICB, OCG/NIF-2, OCG/PEL, OGI/GD/AWH, OIA/CRAB, OIA/ERRS, OIA/TWALA,  
OLL/LD-3, PCS/PGG, PPS/AO-2, PPS/RB, PPS/SEO-3, (63/W)

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TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE  
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Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.  
☒ Release ( ) Excise ( ) Deny ( ) Declassify  
Date 2/22/02 Exemption \_\_\_\_\_

E.O. 12356: N/A  
TAGS: PGOV

SUBJECT: SENATE/HOUSE CONFEREES COMPLETE ACTION ON  
FOREIGN AID BILL

REF: (A) STATE 216782; (B) STATE 152951; (C) STATE 95204

1. SUMMARY. HOUSE/SENATE CONFEREES HAVE COMPLETED ACTION  
ON A FOREIGN ASSISTANCE AUTHORIZATION BILL FOR FY 86 AND  
87. THE BILL, WHICH IS EXPECTED TO RECEIVE FINAL APPROVAL  
FROM THE HOUSE AND SENATE BEFORE THE AUGUST RECESS,  
CONTAINS EXTENSIVE PROVISIONS ON LATIN AMERICA AND THE  
CARIBBEAN. TOTAL FUNDING LEVELS IN THE BILL ARE CLOSE TO  
FY 85 CONTINUING RESOLUTION LEVELS AND SIGNIFICANTLY BELOW  
THE ADMINISTRATION'S REQUEST. THE BILL PROVIDES DOLLARS  
27 MILLION IN HUMANITARIAN ASSISTANCE FOR THE NICARAGUAN  
DEMOCRATIC RESISTANCE, TO BE ADMINISTERED BY ANY AGENCY  
OTHER THAN CIA OR DOD. CONCERNING MILITARY ASSISTANCE TO  
EL SALVADOR, THE BILL REQUIRES THE PRESIDENT TO REPORT  
ANNUALLY ON THE EXTENT TO WHICH CERTAIN OBJECTIVES ARE  
BEING ACHIEVED. NON-IMET MILITARY ASSISTANCE FOR  
GUATEMALA REQUIRES A PRESIDENTIAL CERTIFICATION THAT AN  
ELECTED CIVILIAN GOVERNMENT IS IN PLACE. THE PRESIDENTIAL  
DETERMINATION FOR ASSISTANCE TO HAITI IS CONTINUED. NEW  
AUTHORITIES FOR ADMINISTRATION OF JUSTICE, THE CENTRAL

AMERICA DEVELOPMENT ORGANIZATION AND LAND REFORM  
ASSISTANCE ARE CONTAINED IN THE BILL. ASSISTANCE TO PERU  
AND BOLIVIA IS CONDITIONED ON SPECIFIED ACTIONS BY THESE  
GOVERNMENTS AGAINST NARCOTICS PRODUCTION; RESTRICTIVE  
LANGUAGE ON JAMAICA AND BRAZIL WAS DROPPED. DETAILS OF  
THESE AND OTHER PROVISIONS IN THE BILL OF DIRECT INTEREST  
TO ARA POSTS ARE CONTAINED BELOW. END SUMMARY.

2. IN A NINE-HOUR CONFERENCE MEETING ON JULY 25, SFRC  
CONFEREES (SENATORS LUGAR, HELMS, BOSCHWITZ, KASSEBAUM,  
MATHIAS, PELL, BIDEN, SARBANES, AND KERRY) AND HFAC  
CONFEREES (FASCELL, HAMILTON, BARNES, SOLARZ, MICA,  
YATRON, BONKER, WOLPE, BROOMFIELD, LAGOMARSINO, GILMAN,  
HYDE AND SOLOMON) RESOLVED ALL DIFFERENCES BETWEEN THE  
HOUSE (HR 1555) AND SENATE (S 960) VERSIONS OF THE  
INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF  
1985. REFEELS REPORT ON PROVISIONS OF TWO BILLS.

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3. AS REFTELS INDICATE, BOTH BILLS CONTAIN EXTENSIVE PROVISIONS REGARDING LATIN AMERICA AND THE CARIBBEAN. THE SENATE BILL CLOSELY FOLLOWS THE ADMINISTRATION'S REQUEST, WHILE THE HOUSE BILL WAS WRITTEN VIRTUALLY DE NOVO IN THE BARNES SUBCOMMITTEE AND, AFTER FINAL HOUSE PASSAGE, CONTAINED LENGTHY SECTIONS ON ARA ISSUES. MORE THAN 25 PERCENT OF THE TEXT OF THE HOUSE BILL DEALS IN SPECIFIC TERMS WITH ARA COUNTRIES AND PROGRAMS. SFRG AND HEFAC STAFF RESOLVED MOST DIFFERENCES PRIOR TO CONFERENCE. OF THOSE ISSUES WHICH WERE UNRESOLVED, HALF CONCERNED ARA, AND ROUGHLY HALF OF THE CONFERENCE WAS DEVOTED TO THEIR DISCUSSION. THIS MESSAGE REPORTS THE CONFERENCE OUTCOME ON ARA ISSUES.

4. FOLLOWING IS SUMMARY CHART OF MAJOR ACCOUNTS (IN MILLIONS OF DOLLARS)

	EXECUTIVE	HOUSE	SENATE	PASSED	PASSED	CONFERENCE	AGREEMENT
-							
-							
-							
FMS FINANCING	5,655.0	5,228.4	5,464.5	5,371.0			
GRANT MAP	949.4	761.7	805.1	805.1			
IMET	65.7	54.4	56.2	56.2			
ESF	4,024.0	3,775.6	3,841.0	3,800.0			
DEVELOPMENT	1,676.9	1,835.2	1,695.6	1,758.6			
ASSISTANCE							
TOTAL	13,241.7	12,630.0	12,824.9	12,774.3			

(INCLUDING ACCOUNTS NOT LISTED ABOVE)

5. FUNDING LEVELS. THIS MESSAGE CANNOT REPORT COUNTRY-SPECIFIC FUNDING, AS THE FOREIGN AID AUTHORIZATION BILL CONTAINS FEW COUNTRY-SPECIFIC FUNDING PROVISIONS FOR ARA PROGRAMS. OVERALL, HOWEVER, THE CONFERENCE GENERALLY ACCEPTED LEVELS AT OR CLOSE TO THOSE IN THE SENATE-PASSED BILL. THE FINAL TOTAL FOR ALL PROGRAMS WAS DOLLARS 12,774.3 BILION AS OPPOSED TO DOLLARS 12,824.9 BILION IN THE SENATE-PASSED BILL AND DOLLARS 12,630.0 BILION IN THE HOUSE-PASSED BILL. THE ADMINISTRATION HAD ORIGINALLY REQUESTED DOLLARS 13,241.7 BILION. FOR ARA COUNTRIES, THIS WILL RESULT IN REDUCTIONS IN FUNDING BELOW THE ADMINISTRATION REQUESTED LEVELS. FOR EXAMPLE, THE SECURITY ASSISTANCE SUBTOTAL, INCLUDING ESF, IS DOLLARS 1,676.9 MILLION BELOW THE ADMINISTRATION REQUEST. IN GRANT MAP, THE HIGHER SENATE FIGURES WERE SELECTED, E.G. DOLLARS 805 MILLION, COMPARED WITH THE HOUSE FIGURE OF DOLLARS 762 MILLION. BUT THE ADMINISTRATION HAD REQUESTED DOLLARS 949 MILLION. IN FMS FINANCING, THE CONFERENCE CHOSE TO SPLIT THE DIFFERENCE BETWEEN THE TWO BILLS BY ADOPTING A FIGURE OF DOLLARS 5,371.0 BILION. THE ADMINISTRATION HAD REQUESTED DOLLARS 5,655.0 BILION. IN ESF, THE CONFERENCE ADOPTED A FIGURE OF DOLLARS 3,800.0 BILION COMPARED TO THE ADMINISTRATION REQUEST OF DOLLARS 4,024.0 BILION. CONFEREES ALSO DECIDED ON A TWO YEAR AUTHORIZATION (FY 86/87).

6. NICARAGUA. IN GENERAL, THE CONFEREES ADOPTED LANGUAGE IN THE HOUSE BILL. THE AGREED PROVISIONS CONCERNING NICARAGUA INCLUDE:

(A) PEACE PROCESS IN CENTRAL AMERICA. A STATEMENT OF SUPPORT FOR THE CONTADORA PROCESS AND LANGUAGE EXPRESSING NATIONAL DIALOGUE WITH THE OPPOSITION GROUPS;

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(B) CONCERNS ABOUT NICARAGUAN FOREIGN AND DOMESTIC POLICIES. AN EXPRESSION OF THE SENSE OF THE CONGRESS CONCERNING VARIOUS POLICIES OF THE NICARAGUAN GOVERNMENT, NOTING POSSIBLE U.S. POLICY OPTIONS AND LISTING EXPECTED CORRECTIVE STEPS BY THE NICARAGUAN GOVERNMENT;

(C) RESOLUTION OF THE CONFLICT IN NICARAGUA. A STATEMENT OF CONGRESSIONAL FINDINGS REGARDING U.S. RELATIONS WITH NICARAGUA, INCLUDING CONDEMNATION OF THE NICARAGUAN GOVERNMENT, A CALL FOR A NATIONAL DIALOGUE AND SUPPORT FOR THE DEMOCRATIC RESISTANCE;

(D) PROHIBITION ON MILITARY OPERATIONS IN NICARAGUA. A PROHIBITION AGAINST FUNDS UNDER THIS ACT BEING USED FOR THE PURPOSE OF SUPPORTING OR IF THE EFFECT WOULD BE TO SUPPORT, DIRECTLY OR INDIRECTLY, MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA BY ANY GROUP, ORGANIZATION, MOVEMENT OR INDIVIDUAL, EXCEPT AS PROVIDED ELSEWHERE IN THE ACT. A PROHIBITION AGAINST THE U.S. MAKING ANY AGREEMENT OR UNDERSTANDING, EITHER FORMAL OR INFORMAL, WHEREBY A RECIPIENT OF U.S. ECONOMIC OR MILITARY ASSISTANCE OR A PURCHASER OF U.S. MILITARY EQUIPMENT SHALL PROVIDE ASSISTANCE TO INSURGENCY OR REBELLION IN NICARAGUA. (COMMENT: THE ADMINISTRATION HAS STRONGLY OBJECTED TO THIS PROVISION. END COMMENT);

(E) FY 86 ASSISTANCE TO THE NICARAGUAN DEMOCRATIC RESISTANCE. AUTHORIZATION OF DOLLARS 27 MILLION IN HUMANITARIAN ASSISTANCE TO THE DEMOCRATIC RESISTANCE IN NICARAGUA THROUGH MARCH 31, 1986;

(F) FY 85 ASSISTANCE TO THE DEMOCRATIC RESISTANCE. THE FINAL BILL IS SILENT ON THE DOLLARS 14 MILLION IN THE FY 85 CONTINUING RESOLUTION FOR ASSISTANCE TO THE NICARAGUAN DEMOCRATIC RESISTANCE (COMMENT: IN SEPARATE ACTION ON JULY 26, AN APPROPRIATIONS CONFERENCE APPROVED DOLLARS 27 MILLION IN HUMANITARIAN ASSISTANCE TO BE AVAILABLE UNTIL MARCH 31, 1986 AS SOON AS THE FY-85 SUPPLEMENTAL APPROPRIATIONS BILL BECOMES LAW. END COMMENT.);

(G) CIA/DOD. A STATEMENT THAT HUMANITARIAN ASSISTANCE SHALL BE PROVIDED THROUGH A U.S. AGENCY OTHER THAN THE CIA OR DOD;

(H) ASSISTANCE IN THIRDS. ASSISTANCE WILL BE AVAILABLE IN EQUAL THIRDS. THE FIRST THIRD UPON ENACTMENT, THE SECOND UPON SUBMISSION OF THE FIRST PRESIDENTIAL REPORT AND THE THIRD UPON SUBMISSION OF THE SECOND REPORT;

(I) DIVERSION. A REQUIREMENT THAT THE PRESIDENT ESTABLISH PROCEDURES TO PREVENT DIVERSION OF ASSISTANCE TO MILITARY PURPOSES;

(J) HUMAN RIGHTS. A HOUSE PROVISION WAS DELETED WHICH PROVIDES THAT IF THE PRESIDENT DETERMINES THE DEMOCRATIC RESISTANCE IS ENGAGED IN A CONSISTENT PATTERN OF HUMAN RIGHTS VIOLATIONS, HE SHALL SUSPEND U.S. AID AND REQUIRING A REPORT TO CONGRESS EVERY SIX MONTHS BY THE SECRETARY OF STATE ON THE HUMAN RIGHTS PRACTICES OF THE RESISTANCE;

(K) TREATY COMMITMENTS. A PROVISION THAT NONE OF THE FUNDS AUTHORIZED BY LAW SHALL BE USED SO AS TO VIOLATE U.S. OBLIGATIONS UNDER THE CHARTER OF THE OAS OR OTHER TREATY COMMITMENTS;

(L) TWO MILLION FOR CONTADORA. AUTHORIZATION OF DOLLARS 2 MILLION FOR IMPLEMENTATION OF A CONTADORA AGREEMENT;

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(M) PROHIBITIONS ON ASSISTANCE FOR MILITARY OPERATIONS IN NICARAGUA. PROHIBITIONS IN BOTH BILLS WERE DROPPED BECAUSE THESE ISSUES ARE COVERED BY LEGISLATION IN THE JURISDICTION OF THE COMMITTEES ON INTELLIGENCE:

(N) POLICIES. THE PRESIDENT IS URGED: (1) TO PURSUE DIPLOMATIC AND ECONOMIC MEASURES TO RESOLVE THE CONFLICT IN NICARAGUA INCLUDING NEGOTIATIONS TO IMPLEMENT THE CONTRA DOCUMENT OF OBJECTIVES AND TO DEVELOP WITH OTHER COUNTRIES MEASURES TO COMPLEMENT U.S. ECONOMIC SANCTIONS; (2) TO SUSPEND SANCTIONS AND U.S. MILITARY MANEUVERS IN HONDURAS AND OFF THE COAST OF NICARAGUA IF THE GRN AGREES TO A CEASE FIRE. A DIALOGUE WITH THE OPPOSITION, INCLUDING THE DEMOCRATIC RESISTANCE AND TO SUSPEND THE STATE OF EMERGENCY; (3) TO CALL ON THE DEMOCRATIC RESISTANCE TO REMOVE FROM ITS RANKS HUMAN RIGHTS VIOLATORS; AND (4) TO RESUME BILATERAL DISCUSSIONS WITH THE GRN WITH A VIEW TO ENCOURAGING A CHURCH-MEDIATED DIALOGUE WITH THE OPPOSITION AND A COMPREHENSIVE, VERIFIABLE AGREEMENT BASED ON THE CONTRA DOCUMENT OBJECTIVES:

(O) REPORT EVERY 90 DAYS. A REQUIREMENT FOR THE PRESIDENT TO SUBMIT TO THE CONGRESS EVERY 90 DAYS A REPORT ON PROGRESS TOWARDS NEGOTIATIONS, HUMAN RIGHTS ABUSES, AND DISBURSEMENT OF FUNDS:

(P) REQUEST FOR ADDITIONAL FUNDS. A PROVISION THAT THE PRESIDENT MAY REQUEST ADDITIONAL ASSISTANCE FOR THE NICARAGUAN DEMOCRATIC RESISTANCE, ESTABLISHING EXPEDITED PROCEDURES FOR HOUSE AND SENATE CONSIDERATION OF ANY SUCH REQUEST:

(Q) FOOD AID TO THE NICARAGUAN PEOPLE. A PROVISION THAT IN COOPERATION WITH CARDINAL OBANDO Y BRAVO AND PVOS THE PRESIDENT SHOULD EXPLORE AND PROMOTE MEANS FOR PROVIDING FOODS AID TO THE NICARAGUAN PEOPLE THROUGH PVOS AND THE CATHOLIC CHURCH.

7. EL SALVADOR. THE SENATE POSITION GENERALLY PREVAILED. THE CONFEREES AGREED TO DROP THE HOUSE CERTIFICATION REQUIREMENT ON MILITARY ASSISTANCE FOR EL SALVADOR IN PLACE OF AN ANNUAL REPORTING REQUIREMENT ON THE EXTENT TO WHICH CERTAIN OBJECTIVES ARE BEING ACHIEVED.

-- THESE OBJECTIVES INCLUDE (1) THAT THE GOES BE WILLING TO PURSUE A DIALOGUE WITH THE ARMED OPPOSITION; (2) THAT THE ELECTED CIVILIAN GOVERNMENT IS IN CONTROL OF THE MILITARY AND SECURITY FORCES AND THOSE FORCES ARE COMPLYING WITH APPLICABLE RULES OF INTERNATIONAL LAW AND WITH DIRECTIVES TO PROTECT CIVILIANS DURING COMBAT OPERATIONS; (3) THAT THE GOES WILL MAKE DEMONSTRATED PROGRESS IN ENDING DEATH SQUAD ACTIVITIES; (4) THAT THE GOES MAKE DEMONSTRATED PROGRESS IN ESTABLISHING AN EFFECTIVE JUDICIAL SYSTEM; AND (5) THAT THE GOES WILL MAKE PROGRESS IN IMPLEMENTING LAND REFORM.

-- THE HOUSE PROVISION TRANCHING MILITARY ASSISTANCE EVERY SIX MONTHS WAS DROPPED.

-- THE HOUSE PROVISION REQUIRING 15 DAY ADVANCE NOTIFICATION TO CONGRESS OF THE PROVISION OR LICENSING OF ANY HELICOPTERS OR OTHER AIRCRAFT WAS ACCEPTED.

-- THE HOUSE CONDITIONS LINKING ESF AND CENTRAL BANK REFORMS, REQUIRING A SEPARATE ACCOUNT AND PLACING EMPHASIS ON AGRARIAN REFORM AND AGRICULTURE WERE DROPPED.

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-- THE HOUSE PROVISION WAS KEPT WHICH REQUIRES LOCAL CURRENCIES TO BE PLACED IN A SPECIAL ACCOUNT AND USED FOR AGRARIAN REFORM, AGRICULTURE, JUDICIAL REFORM, EMPLOYMENT, SOCIAL SERVICES, INFRASTRUCTURE REPAIR AND SUPPORT FOR THE PRIVATE SECTOR, PRINCIPALLY SMALL AND MEDIUM BUSINESSES.

-- HOUSE LANGUAGE SUSPENDING ALL ASSISTANCE IN THE EVENT OF A MILITARY COUP WAS KEPT.

-- A HOUSE EARMARK OF DA AT DOLLARS 79.6 MILLION WAS ACCEPTED WHILE A HOUSE EARMARK OF ESF AT DOLLARS 195 MILLION WAS DELETED.

-- SENATE LANGUAGE WAS RETAINED WHICH COMMENDS PRESIDENT DUARTE FOR HIS LEADERSHIP AND THE ARMED FORCES OF EL SALVADOR FOR IMPROVING THEIR PERFORMANCE AND PROFESSIONALISM IN DEFENDING THEIR CITIZENS AND ELECTED GOVERNMENT.

8. GUATEMALA. THE RESTRICTIONS IN THE HOUSE BILL WERE RETAINED WITH AN EXCEPTION TO PERMIT IMET.

-- MILITARY ASSISTANCE MAY BE PROVIDED TO GUATEMALA ONLY IF THE PRESIDENT REPORTS THAT AN ELECTED CIVILIAN GOVERNMENT IS IN POWER AND HAS SUBMITTED A FORMAL REQUEST FOR MILITARY ASSISTANCE, AND THE GOVERNMENT HAS MADE DEMONSTRATED PROGRESS IN: (1) ACHIEVING CONTROL OVER THE MILITARY AND SECURITY FORCES; (2) ELIMINATING KIDNAPPINGS, DISAPPEARANCES, FORCED RECRUITMENT, OTHER HUMAN RIGHTS ABUSES; AND (3) RESPECTING THE HUMAN RIGHTS OF ITS INDIGENOUS INDIAN POPULATION.

-- IF THESE CONDITIONS ARE MET, GUATEMALA MAY BE PROVIDED WITH UP TO DOLLARS 10 MILLION FOR EACH FISCAL YEAR FOR CONSTRUCTION EQUIPMENT AND MOBILE MEDICAL FACILITIES AND RELATED TRAINING, BUT NOT FOR USE IN THE RESETTLEMENT PROGRAM.

-- NO FUNDS MAY BE USED FOR THE PROCUREMENT OF WEAPONS OR AMMUNITION.

-- ALL ASSISTANCE UNDER THE ACT SHALL BE SUSPENDED IN THE EVENT OF A MILITARY COUP.

-- DA AND ESF MAY NOT BE USED FOR THE RURAL RESETTLEMENT PROGRAM AND SHALL BE PROVIDED THROUGH PVOS TO THE MAXIMUM EXTENT POSSIBLE.

- THE PRESIDENT SHOULD URGE GUATEMALA TO ALLOW AN UNIMPEDED VISIT BY THE ICRC.

-- THE U.S. SHOULD ENCOURAGE GUATEMALAN RECOGNITION OF BELIZE AND A MUTUAL NON-AGGRESSION TREATY.

- EXPRESSION OF CONGRESSIONAL SUPPORT FOR THE MUTUAL SUPPORT GROUP AND CALL FOR THE GOVERNMENT OF GUATEMALA TO LEND THE GROUP ITS SUPPORT AND PROTECTION, WHICH SHOULD BE CONSIDERED IN EVALUATING HUMAN RIGHTS PROGRESS IN GUATEMALA.

9. HONDURAS. HOUSE PROVISION, AS AMENDED, WAS ACCEPTED. FUNDS IN THIS ACT OR THE STATE DEPARTMENT AUTHORIZATION ACT WHICH ARE USED FOR REFUGEE ASSISTANCE FOR NICARAGUAN INDIANS SHALL BE CHanneled TO THE MAXIMUM EXTENT POSSIBLE THROUGH THE UNHCR, ICRC, OR OTHER INTERNATIONAL REFUGEE RELIEF ORGANIZATION AND MAY NOT BE USED FOR THE INVOLUNTARY REPATRIATION OF SALVADORAN REFUGEES.

10. HAITI. WITH ONE CHANGE, THE HOUSE LANGUAGE WAS

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ACCEPTED.

-- TO THE MAXIMUM EXTENT POSSIBLE AID TO HAITI SHOULD BE THROUGH PVOS (BOTH DA AND ESF)

-- FY 86 AND 87 DA, ESF, AND IMET FUNDS ARE CONDITIONED ON A PRESIDENTIAL DETERMINATION THAT HAITI IS COOPERATING IN STOPPING ILLEGAL IMMIGRATION AND IN IMPLEMENTING U.S. AID PROGRAMS: IS MAKING PROGRESS ON IMPROVING HUMAN RIGHTS SITUATION, ETC.

-- REQUIRES REPORT EVERY 12 MONTHS ON COMPLIANCE WITH CONDITIONS (HOUSE VERSION REQUIRED REPORT EVERY SIX MONTHS.)

-- PERMITS POLICE TRAINING AID TO HELP STOP ILLEGAL EMIGRATION.

-- LIMITS MAP AND FMS AID TO THAT NECESSARY TO HELP STOP ILLEGAL EMIGRATION AND NARCOTICS.

-- EARMARKS DOLLARS 1 MILLION IN DA FOR FY 86 AND 87 FOR LITERARY AND EDUCATION PROGRAMS.

11. PARAGUAY. WITH THE EXCEPTION OF IMET, MILITARY ASSISTANCE TO PARAGUAY MAY NOT BE PROVIDED UNLESS THE PRESIDENT CERTIFIES THAT THE GOVERNMENT OF PARAGUAY HAS ENDED TORTURE AND ABUSE OF DETAINED INDIVIDUALS AND INSTITUTED PROCEDURES TO ENSURE PROMPT CHARGES AND TRIAL. ALL LANGUAGE CONCERNING JOSEPH MENGELE IS DELETED.

12. PERU.

-- THE REQUIREMENT IN THE HOUSE BILL FOR A REPORT ON PERUVIAN STEPS TO REDUCE VARIOUS HUMAN RIGHTS ABUSES WAS DELETED IN FAVOR OF REPORT LANGUAGE.

-- LANGUAGE STATING THAT RESPECT FOR HUMAN RIGHTS SHALL BE AN IMPORTANT COMPONENT OF IMET TRAINING FOR PERU FOR FY 86 AND 87 WAS RETAINED. HOUSE LANGUAGE EARMARKING DOLLARS 1 MILLION OF ESF IN FY 86 AND 87 FOR STRENGTHENING PERUVIAN JUDICIAL SYSTEM WAS ADOPTED.

-- CONCERNING NARCOTICS, THE HOUSE PROVISION WAS ADOPTED THAT CONDITIONS U.S. AID (ESF, DA AND MILITARY) IN FY 86 ON A REPORT TO CONGRESS THAT PERU HAS MADE SUBSTANTIAL PROGRESS IN DEVELOPING A PLAN THAT WILL ESTABLISH PERU'S LEGAL COCA REQUIREMENTS; AND IN FY 87, A REPORT THAT PERU IS IMPLEMENTING THIS PLAN.

-- HOUSE LANGUAGE MENTIONING THE SINGLE CONVENTION WAS

DELETED.

-- ON THE UPPER HUALLAGA VALLEY PROJECT, THE HOUSE PROVISION WAS ACCEPTED PROHIBITING AID TO THIS PROJECT IN FY 87 UNLESS AID CERTIFIES THAT THE PROJECT IS EFFECTIVE IN REDUCING COCA PRODUCTION.

13. URUGUAY. THE SENATE ACCEPTED THE HOUSE EARMARK OF DOLLARS 15 MILLION ESF FOR URUGUAY.

14. CUBA. THE SENATE ACCEPTED THE HOUSE LANGUAGE CONDEMNING HUMAN RIGHTS ABUSES AND EXTERNAL SUBVERSION BY CUBA AND APPEALING FOR AN END TO SUCH PRACTICES.

15. MEXICO. SENATE ACCEPTED HOUSE LANGUAGE WHICH URGES NEGOTIATIONS WITH MEXICO TO REDUCE IMPEDIMENTS TO TRADE, INCLUDING INTERNATIONAL IN-TRANSIT SHIPMENTS; AND REQUIRES

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THE SECRETARY OF STATE TO REPORT ON THE STATUS OF  
NEGOTIATIONS BY JANUARY 1, 1986.

16. REPORTS ON FOREIGN DEBT. THE CONFEREES ACCEPTED THE  
SENATE LANGUAGE, AS MODIFIED, WHICH REQUIRES REPORT BY THE  
SECRETARY OF STATE JANUARY 1, 1986, ON THE MAGNITUDE AND  
IMPACT OF THE FOREIGN DEBT OF LATIN AMERICA AND ON U.S.  
POLICIES TO DEAL WITH THE CRISIS.

17. CENTRAL AMERICA - MULTI-YEAR AUTHORIZATION. THE  
SENATE PROVISION AUTHORIZING DOLLARS 1.2 BILLION IN  
ASSISTANCE FOR CENTRAL AMERICA FOR FY 87 THROUGH 89 WAS  
ACCEPTED.

18. MILITARY EXERCISES. LANGUAGE IN THE HOUSE BILL  
REQUIRING 30-DAY ADVANCE NOTIFICATION OF JOINT MILITARY  
EXERCISES IN ANY CENTRAL AMERICAN COUNTRY WAS DELETED IN  
FAVOR OF REPORT LANGUAGE STATING THE EXPECTATION THAT  
ADVANCE INFORMATION WILL BE AVAILABLE TO THE HFAC AND  
SFRC, TO INCLUDE, THE PURPOSE OF THE EXERCISES, THE  
DURATION OF THE EXERCISES, THE NUMBER OF THE MEMBERS OF  
THE U.S. ARMED FORCES PARTICIPATING IN THE EXERCISES, THE  
TOTAL COST TO THE UNITED STATES OF THE EXERCISES, THE  
SPECIFIC ACTIVITIES OF THE U.S. ARMED FORCES DURING THE  
EXERCISES, INCLUDING THE LOCATIONS OF THOSE ACTIVITIES,  
THE NUMBER AND NATIONALITY OF MEMBERS OF THE ARMED FORCES  
OF OTHER COUNTRIES PARTICIPATING IN THE EXERCISES,  
CONSTRUCTION ACTIVITIES BY THE U.S. ARMED FORCES IN  
CONJUNCTION WITH THE EXERCISES, AND THE NUMBER OF THE U.S.  
ARMED FORCES AND THE EQUIPMENT REMAINING IN THE COUNTRY AS  
THE RESULT OF EARLIER MILITARY EXERCISES, AND THE  
ADDITIONAL NUMBER OF MEMBERS OF THE U.S. ARMED FORCES AND

THE ADDITIONAL EQUIPMENT REMAINING IN THE COUNTRY AS A  
RESULT OF THE CURRENT MILITARY EXERCISES.

19. CENTRAL AMERICA - RURAL ELECTRIFICATION. THE  
CONFERENCE ACCEPTED HOUSE LANGUAGE WHICH ENCOURAGES THE  
DEVELOPMENT OF A COMPREHENSIVE RURAL ELECTRIFICATION  
PROGRAM FOR CENTRAL AMERICA.

20. CENTRAL AMERICAN DEVELOPMENT ORGANIZATION. THE  
CONFEREES ACCEPTED SENATE LANGUAGE WHICH AUTHORIZES U.S.  
PARTICIPATION IN CADO AND SETS FORTH PURPOSE OF THE  
ORGANIZATION.

21. LAND REFORM. BOTH HOUSE AND SENATE BILLS CONTAIN  
IDENTICAL LANGUAGE PROPOSED BY THE ADMINISTRATION AMENDING  
SECTION 620 (G) TO PERMIT MONETARY ASSISTANCE TO A  
GOVERNMENT TO COMPENSATE ITS NATIONALS FOR LAND REFORM IF  
THE PRESIDENT DETERMINES THAT THIS WILL FURTHER U.S.  
NATIONAL INTERESTS.

22. EXEMPTION FROM SECTION 660. THE SENATE ACCEPTED  
HOUSE LANGUAGE WHICH PROVIDES FOR AN EXEMPTION FROM  
SECTION 660 (POLICE TRAINING) PROHIBITION FOR COUNTRIES  
WHICH ARE LONGTIME DEMOCRACIES, HAVE NO STANDING ARMED  
FORCES, AND DO NOT VIOLATE HUMAN RIGHTS. THE PROVISION  
ALSO SPECIFICALLY EXEMPTS HONDURAS AND EL SALVADOR FROM  
660 PROHIBITION, IF PRESIDENT NOTIFIES CONGRESS 30 DAYS IN  
ADVANCE THAT SUCH COUNTRY HAS MADE SIGNIFICANT PROGRESS IN  
PRIOR 6 MONTHS ON HUMAN RIGHTS VIOLATIONS. ANY  
NOTIFICATION MUST INCLUDE DESCRIPTION OF AID TO BE  
PROVIDED.

23. ADMINISTRATION OF JUSTICE. THE SENATE RECEDED TO THE  
HOUSE PROVISION WHICH AUTHORIZES SPECIFIC PROGRAMS TO  
STRENGTHEN THE ADMINISTRATION OF JUSTICE IN LATIN AMERICA  
AND THE CARIBBEAN INCLUDING PROGRAMS TO IMPROVE

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INVESTIGATIVE CAPABILITIES, IF CONDUCTED UNDER JUDICIAL OR PROSECUTORIAL CONTROL, BUT NOT INCLUDING PROGRAMS TO ENHANCE ENFORCEMENT CAPABILITIES (AS REQUESTED BY THE ADMINISTRATION). THE BILL AUTHORIZES NO MORE THAN DOLLARS 20 MILLION PER YEAR FOR THIS SECTION. IT PLACES A SUNSET OF SEPTEMBER 30, 1987 ON THIS AUTHORITY.

24. USE OF PVOS. THE SENATE ACCEPTED HOUSE LANGUAGE STATING THAT TO THE MAXIMUM EXTENT POSSIBLE, DA AND ESF TO LATIN AMERICAN AND CARIBBEAN COUNTRIES SHOULD BE THROUGH PVOS WITH PROVEN TRACK RECORDS IN OVERSEAS DEVELOPMENT EFFORTS.

25. REPORTS ON ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN. SENATE ACCEPTED HOUSE LANGUAGE REQUIRING IN THE ANNUAL REPORTS (CONGRESSIONAL PRESENTATION DOCUMENTS) REQUIRED BY SECTION 634 OF THE FAA CERTAIN SPECIFIC INFORMATION REGARDING U.S. ASSISTANCE TO LATIN AMERICA AND THE CARIBBEAN.

26. INTERNATIONAL ADVISORY COMMISSION FOR THE CARIBBEAN. THE HOUSE LANGUAGE DIRECTING THE PRESIDENT TO INVITE CARIBBEAN COUNTRIES AND OTHERS TO PARTICIPATE IN A COMMISSION TO DEVELOP AND COORDINATE DEVELOPMENT PLANS FOR THE CARIBBEAN WAS MADE DISCRETIONARY RATHER THAN MANDATORY.

27. EMPLOYEE STOCK OWNERSHIP PLANS. BOTH BILLS CONTAINED SIMILAR LANGUAGE. THE HOUSE ACCEPTED THE SENATE VERSION WHICH

-- ENCOURAGES THE USE OF EMPLOYEE STOCK OWNERSHIP PLANS (ESOP) IN U.S. ASSISTANCE PROGRAMS.  
-- ESTABLISHES A PRESIDENTIAL TASK FORCE ON PROJECT ECONOMIC JUSTICE.

-- REQUIRES THE TASK FORCE TO REPORT TO THE PRESIDENT AND THE CONGRESS BY DECEMBER 31, 1985, ON THE USE OF ESOPS IN DEVELOPMENT EFFORTS OF THE U.S. AND ON RECOMMENDATIONS FOR USING ESOPS.

28. BOLIVIA. THE HOUSE LANGUAGE WAS ACCEPTED WHICH CONDITIONS ESF AND MILITARY AID TO BOLIVIA IN FY 86 ON ENACTMENT OF COCA LAWS AND ON SUBSTANTIAL PROGRESS TOWARDS ERADICATION TARGETS, AND, IN FY 87, ON DEVELOPMENT OF COUNTRY-WIDE ERADICATION PLAN AND ACHIEVEMENT OF ERADICATION TARGETS. THE HOUSE LANGUAGE MENTIONING THE SINGLE CONVENTION WAS DELETED. THE SENATE PROVISION STATING CONGRESSIONAL FINDINGS ON BOLIVIA'S FAILURE TO CURB-NARCOTICS PRODUCTION AND CALLING FOR A TOTAL AID CUT-OFF (BILATERAL AND MULTILATERAL) IF BOLIVIA DOES NOT REDUCE COCA PRODUCTION BY 10 PERCENT EACH YEAR WAS DELETED.

29. JAMAICA. THE HOUSE ACCEPTED DELETION OF LANGUAGE CONDITIONING DOLLARS 5 MILLION IN ESF FOR FY 86 ON CERTIFICATION THAT JAMAICA HAS PREPARED A COMPREHENSIVE ANTI-NARCOTICS PLAN AND SUBSTITUTED A PROVISION INSTRUCTING THE PRESIDENT TO GIVE MAJOR CONSIDERATION TO WHETHER JAMAICA HAS PREPARED A COMPREHENSIVE NARCOTICS PLAN.

30. BRAZIL. SENATOR LUGAR PERSUADED THE CONFEREES TO DELETE THE REQUIREMENT CONTAINED IN BOTH VERSIONS OF THE BILL THAT INSTRUCTS THE SECRETARY OF STATE TO NEGOTIATE THE ESTABLISHMENT OF A BILATERAL NARCOTICS CONTROL AGREEMENT TO ACHIEVE A TEN PERCENT REDUCTION IN ILLICIT COCA PRODUCTION IN 1986.

31. CUBA. SENATE ACCEPTED HOUSE LANGUAGE STATING

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CONGRESSIONAL FINDINGS ON CUBAN GOVERNMENT INVOLVEMENT IN  
DRUG TRAFFICKING; SENSE OF CONGRESS ON RECOMMENDED ACTIONS  
(REQUEST OAS, UN AND OTHER FORA TO CONSIDER THIS ISSUE);  
AND REPORT TO CONGRESS ON ACTIONS TAKEN.

## 32. NARCOTICS. GENERAL PROVISIONS:

(A) FOREIGN GOVERNMENT INVOLVEMENT IN DRUG TRAFFICKING.  
SENATE RECEDED TO HOUSE POSITION REQUIRING A REPORT TO  
CONGRESS ON ANY GOVERNMENT WHICH IS INVOLVED IN OR  
FACILITATES DRUG TRAFFICKING. SENATE LANGUAGE THAT  
SPECIFICALLY INCLUDES COMMUNIST GOVERNMENTS WAS ADDED.

(B) LATIN AMERICAN REGIONAL NARCOTICS CONTROL  
ORGANIZATION. SENATE POSITION REQUIRING THE SUBMISSION  
WITHIN SIX MONTHS OF A REPORT TO CONGRESS (BOTH FOREIGN  
AFFAIRS AND JUDICIARY COMMITTEES) ON THE FEASIBILITY OF  
ESTABLISHING A REGIONAL LATIN AMERICAN ORGANIZATION TO  
COMBAT NARCOTICS PRODUCTION AND TRAFFICKING THROUGH  
REGIONAL INFORMATION-SHARING AND ENFORCEMENT WAS ACCEPTED,  
BUT THE SENATE LANGUAGE ESTABLISHING AN EXECUTIVE BRANCH  
DRUG CONTROL CZAR WAS DELETED.

(C) GREATER USE OF ARMS FORCES IN ANTI-NARCOTICS  
EFFORTS. SENATE ACCEPTED HOUSE PROVISION REQUIRING REPORT  
IN 60 DAYS ON GREATER USE OF U.S. ARMED FORCES OVERSEAS IN  
ANTI-NARCOTICS WORK.

(D) PROHIBITION OF AID TO COUNTRIES FAILING TO TAKE  
ADEQUATE STEPS TO STOP DRUG TRAFFICKING. SENATE ACCEPTED  
HOUSE EXTENSION OF GILMAN-HAWKINS PROVISION TO  
DRUG-TRAFFICKING COUNTRIES. HOUSE LANGUAGE PROVIDING A  
WAIVER OF GILMAN-HAWKINS AND EXTENDING ITS REPORTING  
REQUIREMENTS TO ALL COUNTRIES WAS DELETED.

(E) DRUG TRAFFICKING AND BANK CONFIDENTIALITY. SENATE  
ACCEPTED HOUSE PROVISION WHICH STATES CONGRESSIONAL  
FINDING ON USE OF BANKS IN LATIN AMERICA TO LAUNDER DRUG  
MONEY AND REQUESTS PRESIDENT TO NEGOTIATE APPROPRIATE  
TREATIES AND REPORT RESULTS TO CONGRESS. INCLUDED WAS  
SENATE LANGUAGE CLARIFYING REQUEST TO PRESIDENT.

33. TRADE CREDIT INSURANCE PROGRAM. SENATE RECEDED TO  
HOUSE POSITION SETTING COMMITMENT LEVEL AT DOLLARS 500  
MILLION FOR FY-86 AND FY-87.

34. LENGTHY STATEMENTS OF POLICY CONCERNING CENTRAL  
AMERICA. HOUSE LANGUAGE CONTAINED REFTEL (A) WAS ADOPTED  
RATHER THAN COMPARABLE SENATE LANGUAGE CONTAINED IN REFTEL  
(C).

35. CONDITIONS ON FURNISHING ASSISTANCE TO CENTRAL  
AMERICA. SENATE LANGUAGE DIRECTING PRESIDENT TO IMPOSE  
CONDITIONS ON U.S. ASSISTANCE WHERE NECESSARY TO ACHIEVE  
THE POLICY PURPOSES STATED IN THE ACT AND TO CONSULT WITH  
THE CONGRESS IN REGARD TO PROGRESS TOWARD THOSE OBJECTIVES  
WAS ADOPTED.

36. TRAINING ASSISTANCE FOR ARGENTINA AND BRAZIL. THE  
WAIVER OF CERTAIN LEGISLATIVE RESTRICTIONS IN THE SENATE  
BILL TO ALLOW FOR ECONOMIC AND IMET TRAINING IN ARGENTINA  
AND BRAZIL WAS DELETED.

37. CHILE. THE CONFEREES ACCEPTED SENATE BILL LANGUAGE  
PERMITTING THE SALE OR LICENSING OF CERTAIN SAFETY-RELATED  
EQUIPMENT FOR F-5E/F OR A/T-37 AIRCRAFT SOLD BY THE U.S.  
TO THE CHILEAN AIR FORCE BEFORE JANUARY 1, 1976.

38. COMMENT. THE CONGRESS HAS NOT PASSED A FOREIGN

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ASSISTANCE AUTHORIZATION BILL SINCE 1981. BOTH  
AUTHORIZING COMMITTEES WORKED HARD THIS YEAR TO PRODUCE  
BILLS, WHICH WERE GUIDED THROUGH FLOOR DEBATE AND PASSAGE  
BY SENATOR LUGAR AND REPRESENTATIVE FASCELL IN THE SENATE  
IN MID-MAY AND THE HOUSE IN MID-JULY. FOLLOWING HOUSE  
PASSAGE, THE CONFERENCE MET QUICKLY TO RESOLVE DIFFERENCES  
BETWEEN THE BILLS. FINAL PASSAGE IN BOTH HOUSE AND SENATE  
IS EXPECTED BEFORE THE CONGRESS BEGINS ITS AUGUST RECESS.  
THE APPROPRIATIONS PROCESS FOR FY 86 FOREIGN AID IS UNDER  
WAY IN THE HOUSE. THE FULL HOUSE APPROPRIATIONS COMMITTEE  
IS SCHEDULED TO MEET THIS WEEK TO APPROVE THE JULY 16  
MARKUP OF THE FOREIGN OPERATIONS SUBCOMMITTEE, WHICH  
SHARPLY CUT THE ADMINISTRATION'S REQUEST IN ALL ACCOUNTS.  
NO SENATE ACTION ON FOREIGN AID APPROPRIATIONS IS EXPECTED  
UNTIL AFTER THE AUGUST RECESS. END COMMENT. WHITEHEAD  
END OF MESSAGE  
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